"An Analytical Study of Goods & Service Tax in Maharashtra."

A

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स्वामी रामानंद तीर्थ मराठवाडा विद्यापीठ, नांदेड.

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1.1. Introduction:-

The first book on economics in the world Kautilaya's Arthashashtra saying that, the best taxation system is the one which is " liberal in assessment and ruthless in collection". GST based on this awfully principle.

The present taxation system allows for multiplicity of taxes collected through an inefficient and non transparent system, the introduction of GST is likely to reduce it and thereby stop the loop holes in this system. This will enable the government to stop theft of tax and efficient the overall taxation regime. While many areas are either non-taxed or under –taxed or over –taxed, the GST will help to reduce overall tax burden of many organizations.

Introduction of Goods and Service Tax (GST) replace the existing multiple tax structure of Center and State taxes is not only enviable but imperative in the emerging economic environment. Consumption or use of services is increasing in production and distribution of goods and vice versa. Separation of taxation of goods and services required for splitting of transaction value in to goods and services for taxation.

The Indian economy is entered into globalization. A number of Free Trade Agreements (FTAs) have been signed in recent times. This will allow imports into Indian duty free or at very low duties. Hence , there is need to have a nation – wide simple and transparent system of taxation to enable the Indian Industry to compete not only internationally, but also in the domestic market. Integration of various Central and State taxes into a GST system would make it possible to give credit for input taxes collected. GST being a destination based consumption tax based on VAT principle, would also greatly help in removing economic distortions caused

by present complex tax structure and will help in development of a common national marked.

A requirement for introduction of GST is that both the centre and State should replace existing taxes like State Sales Tax/ VAT, Excise, CST, Entry Tax and all other cascading type Central or State levies on goods and services. Any losses on account of elimination of multiple taxes are likely to be balanced by the additional GST revenues that will be acquire from taxation of service and from access to GST imports. India will acquire full efficiencies of a single national VAT, while retaining a federal structure.

The benefit of GST will be uniformity of laws across the board, greater transparency, neutrality in tax rates on various products, credit availability on interstate purchase and reduction in compliance requirements.

The Goods and Service Tax (GST) was first time introduced in India in 2006-2007 Union Budget Speech by Finance Minister Mr. P. Chidambaram. In May 2007 Empowered Committee (EC) of State Finance Minister agreed to work with the central government and model and road map for Goods and Service Tax in India structured in 2008

Finally the tax came into effect from July 1, 2017 through the implementation of one hundred and first amendments by the Government of India. The tax replaced existing multiple cascading taxes levied by the central and state governments. The tax rates, rules and regulations are governed by the Goods and Services Tax Council which comprises of finance ministers of centre and all the states. GST simplified a slew of indirect taxes with a unified tax and is therefore expected to dramatically reshape the country's 2 trillion dollar economy.

1.2. Reason for selecting the Topic of Research:

The Goods and Service Tax is new for all. It is based on Canadian GST. Being new and challenging levy for all the stakeholders, attracted researchers to make the research on this topic.

GST is a single comprehensive tax levied on goods and services consumed in an economy. It would mainly include union excise duties, customs duties, service tax and state VAT into a single levy. Introduction of GST is the second major reforms in India in the area of Indirect Taxes after Value Added Tax in the state in 2005.

GST is a destination based tax and levied at single point at the time of final consumption of goods or services by ultimate consumers. More than 100 countries across the world have introduced GST. India have dual GST model. The study of which will contribute to the field and will be useful for all the stakeholders.

1.3. Objective of the Study:

The objectives set for the study are

1. To study and analyze origin and growth of Goods & Service Tax in India.
2. To study and analyze provisions of Goods & Service Tax in India.
3. To study incidence and effects of Goods & Service Tax on Consumer.

4. To study the levy and collection administration of Goods & Service Tax in India & the efficiency of tax administrator in collection of Goods & Service Tax revenue.
5. To study the problem and prospects of Service Tax in India.

1.4. Hypothesis of the Study:

Researcher has tested following statements of hypothesis through this study.

1. Goods and service tax as revenue will be major source for Government in the near future though the decadal development is slow.
2. Abolished cascading effect of Tax.
3. GST based on "One nation one Tax".
4. Reform process is adopted on Goods & Service Tax.
5. Augmentation of tax base.
6. Structure of Tax under GST is simple as compared to VAT.

1.5. Scope of the Study:

1. The scope of the study is limited out of the overall Tax Structure of India, though passing references of other taxes appear in the body of text have appeared for comparison purpose.
2. The study will cover the entire Geographical area of India, wherever the "Goods & Service Tax" is applicable.
3. The scope of this study will covers a time period from implementation of this tax, i.e. from 1st July 2017 to till the date of completion of this work.

1.6. Limitations of the Study:

1. The area of coverage of the topic being too large for an individual researcher, he will not collect primary data from the respondents spread over the country. Covering only local respondents from Marathawada will presents only a partial picture that will not be capable of being representative of the country as a whole, the dependence on primary data will be given up.
2. The process of administration of Goods & Service Tax is an ongoing process and the inference and conclusions based on collected information will not the future course on action.
3. As the reforms are continuous in nature, the findings of the study in the right of evaluation of data will change from time to time.

1.7. Research Methodology

Proposed study is descriptive research based on historical secondary data on the theme and review of the related literature. The research is mainly based on secondary data such as Books, Acts, Reports of the government of India official statistics on levy and collection of Goods and Service Tax vis-à-vis other direct and indirect taxes of the Union Government of India, various magazines and news papers published articles etc. and electronic media like web sites, e-newsletters. Research initially thought to collect part of the primary data from a few tax authorities, practitioners, and tax payers who were to be interviewed for noting their expert opinion on complication of Goods and Service Tax. However, this could not be realized because these respondents were not open and free to reveal the facts either on account of official secrets and unwillingness of the practicing

consultants and tax payers to reveal the true facts. As a result, this work is now entirely based on analysis of secondary data collected through official sources.

Simple statistical tool like mean, ratios and percentage have been use to analyze statistical data on levy and collection of Goods and Service Tax.

1.8. CHAPTER SCHEME:-

CHAPATER 1: INTRODUCTION

In the first chapter brief introduction and growing importance of GST will be shown. It includes statement of the objective and techniques of analysis used. Review of literature also be discussed in this chapter.

CHAPTER 2: GST: A THEROTICAL APPROACH

In the second chapter will be discusses about the concept of GST with various forms particularly from the point of view of their practical usefulness in developing countries. An economic effect of GST will also been examined in the chapter.

CHAPTER 3: GST IN SELECTED COUNTRIES IN THE WORLD AND SELECTED STATES IN INDIA

Third chapter will deal with GST in some selected countries in the world and in some selected states in India.

CHAPTER 4: GST IN MAHARASHTRA

Fourth chapter will outline th**e** GST system and recent amendments of

GST in Maharashtra.

CHAPTER 5: GST: ADMINISTRATION AND OPERATIONS.

Fifth chapter will discuss administrative set up and operations of GST in Maharashtra.

CHAPTER 6: PATTERN AND GROWTH OF GST REVENUE IN MAHARASHTRA

Sixth chapter will work out on buoyancy of GST revenue in Maharashtra and deals with the problem of evasion of GST revenue.

CHAPTER 7: ECONOMIC RATIONALE FOR GST IN MAHARASHTRA.

Seventh chapter will be devoted to explain statutory provision regarding the GST in Maharashtra in the light of economic considerations namely Equity, Allocation, Stabilization and Administration.

CHAPTER 81 : VALUE ADDED TAX (VAT)

Eight chapter will discusses the oldest member of GST family i.e. Value Added Tax in detail. It also deals with the issue that how VAT worked in Maharashtra.

CHAPTER 9: CONCLUSION AND RECOMMENDATIONS.

Ninth chapter will summarizes conclusion and puts forth th recommendations of the study.

Reference:

1. A Study on proposed Goods & Service Tax (GST) Framework in India By Raajkumar S. Adukia- http://taxclubindia.com/simple/rajkumar.pdf
2. www.cbec.gov.in
3. Budget speech 2017 delivered by Mr. Arun Jaitley, Finance Minister.
4. ICAI background material of GST.

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